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## THE DESIGN OF SPENCER GENERIC COMPETENCY AS A MODEL FOR BANKING SUPERVISORS POSITION SPECIFICATION IN SURABAYA

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### ABSTRACT

*Banking industries have some targets in which the supervision of banks is required. In order that the banks can strengthen the national banking industry fundamental, Bank Indonesia (BI) implements Indonesia Banking Architecture (IBA). The second target of the ABI is to create a system of independent and effective bank regulation and supervision based on international standards. This study attempts to uncover some issues such as (1) How to design generic competencies of Spencer as a model specification for the Supervision of Banking offices in Surabaya; (2) How technical competence and perceived behavioral competencies as competencies are required for Banking Supervision. This study uses 50 bank branch managers in Surabaya as respondents. Descriptive analysis is applied for analyzing the data. Based on such analysis, it can be concluded that, first of all, the design of generic competencies of Spencer can be used as a model specification for the position of Banking Supervisors in Surabaya. This can be done according to the order level based on the perception of importance by the respondents in which the expertise in the field of task is in the first place. Secondly, the technical competencies and behavioral competency that are perceived as competencies required for Banking Supervision acting in Surabaya are the competency to analyze the core problem.*

**Key words:** Bank Indonesia (BI), Indonesia Banking Architecture (IBA), Bank supervisors, Competency.

### INTRODUCTION

It has been known that Central Bank or Bank Indonesia (BI) acted as an initiator and facilitator to strengthen the national banking industry fundamentals. In doing such a role, BI attempts to implement the Architecture of Banking Indonesia (ABI). By implementing this ABI, it is expected that it can provide a basic framework for the development of the Indonesian banking comprehensive system for the range of five to ten years.

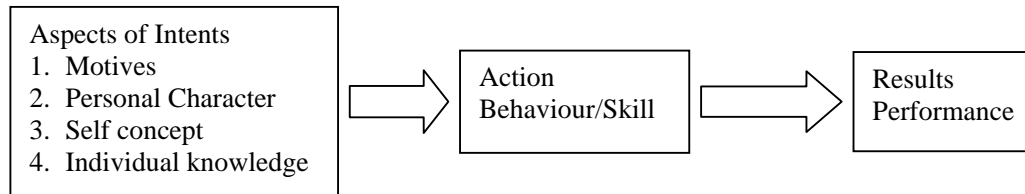
To achieve the ABI's vision, one of the targets to be achieved BI is that BI should create an independent and effective system of bank regulation and supervision that also refers to international standards. Since a bank as an organization and management, the bank manager is one of the parties that have to be supervised. This is expected that

all the objectives embodied in such system in relation to the regulatory process are attained by BI.

More than that, the most important thing from a supervision process is the presence of independence and objectivity. To be able to run an independent and objective supervision, human resources pertaining to supervisors are required to have certain competencies so that they are said to be superior performers in the supervision. The required competency as a basis for designing specification of Banking Supervisors is due to competency is the basic characteristic that affects the way a person thinks and acts, as well as faces all situations encountered.

According to McClelland, in Spencer (2008: 2), the best predictor for performance is a personal characteristic or the so-called

**Figure 1**  
**Components of Competencies**



Source: Achmad S. Ruky. 2006

competency. In addition, the competency model can distinguish individuals who perform the best to the worst or excellent to average performers. Another consideration is the importance of the use of competency models in which it can provide a picture of individual performance improvement. In general, such an aspect can be a basic consideration in the decision of human resource management (Champion, 2011, 227-228).

Another important thing is the use of generic competencies as a basis for mapping, because of the competency model by Spencer (1993) are believed to be able to distinguish the types of competencies and those of task fields. Therefore, the competency model can accommodate a variety of competencies required for other types of professions in any organization.

Based on the arguments above, the issues that should be addressed in this study are in two folds. First, it is dealt with how to design Spencer generic competency as a model specification for banking supervisors in Surabaya. Secondly, it concerns the way of how technical competency and perceived behavioral competency are required for banking supervisors.

## **THEORETICAL FRAMEWORK**

Spencer & Spencer, in Achmad S. Ruky (2006), state that competency is a fundamental characteristic that affects individual's way of thinking and acting, as well as facing all situations encountered, and surviving in the long phase in life as human beings. Thus, competency includes some factors such as 1) a collection of personal characteristics, knowledge and skills that are interconnected

which affects the bulk of the work, 2) having the correlation as causal (cause) of achievement, 3) something that can be measured as well as received with a standard, 4) something that can be enhanced through training and development.

Competency is defined as a person's underlying characteristics related to the effectiveness and individual performance on the job (Levenson, 2006; Ozcelik, 2006; Abraham, SE, 2001). Spencer & Spencer (1993: 9) state that competency is an individual characteristic that can predict behavior and performance that is effective or superior in the work situation. Spencer developed a competency dictionary that comes from a job competency model research results. Its model is generated by using the method of Behavioral Event Interview, grouping the competencies based on "clusters", where each group consists of two to five competencies. Each competency has a definition of its entity and several indicators that reflect the behavior of these competencies. From this, they are ranked from lowest to highest and therefore forming the scales.

For that reason, when using the competency approach, any organization can predict the scale from the individual who performs the best to the poor performers, measured by the criteria or standards that have been stipulated. According to Achmad S. Ruky (2006: 112), the elements that make up the competency are the following: 1) motive, 2) personal character, 3) the concept of self, 4) knowledge, and 5) skills.

It is believed that the components of competency can predict a certain behavior that will ultimately emerge as the achieve-

**Table 1**  
**Validity and Reliability Test Results for Research Data of Spencer Competency**

Competencies	Item to total correlation	Description	Cronbach Alpha	Description
Expertise in Task Field	0.435	Valid	0.863	Reliable
Achievement Orientation	0.792	Valid		
Impact and Effect of Supervisors	0.713	Valid		
Conceptual Thinking	0.651	Valid		
Analytic Thinking	0.396	Valid		
Initiative	0.632	Valid		
Self confidence	0.659	Valid		
Comprehension	0.642	Valid		
Concern about systematic supervision Process	0.658	Valid		
Information searching	0.502	Valid		
Cooperation	0.728	Valid		
Customer service orientation	0.686	Valid		

Source: processed data

ments. Competency also always involves intense for pushing a number of motives or personal character to perform a certain action towards the establishment of an outcome. This is finally described as in Figure 1, consisting of the elements of competencies.

According to Spencer (1993: 15), competency can be divided into two categories based on the performance criteria which are predicted by each category.

a) Threshold Competencies are the essential characteristics (commonly referred to as knowledge or basic skills) required by each individual to be minimally active in the work, but does not distinguish individuals who are superior and the average.

b) Differentiating Competencies are characteristics that can distinguish between individuals who are superior and those who are the average.

In this study, generic competencies for supervisors refer to the differentiating competencies. Bank supervisors themselves, according to the Director of the Directorate of BI research and Wimboh Santoso duty is to keep the bank owners and managers, but must be careful in holding the trust of depositors. Bank supervisors should be able to anticipate and see, to asses how the situation outside the banking system would impact on his bank. So, bank supervisors can do some kind of preventive measure on the bank

boards.

## RESEARCH METHOD

This research employs multiple research design. It is done by judging from the method of data collection, a survey research. This is because it uses a questionnaire as a data collection. The survey was conducted at the beginning of the study to draw a generalization. According to David Kline in Sugiyono (2005: 7) generalization of survey research can be more accurate when using a representative sample. Based on the way how the data were gathered, this study is a cross-sectional research (Omar Hussein, 2005:83; have now 2006:177), because data of the supervisors' competency were taken from a sample at a given moment, where the implementation of the study was to observe the variation between the samples.

Furthermore, this research is a research-oriented problem solving that aims to assist BI in their effort to improve the performance of banking supervision by setting criteria for the competency of a banking supervisor. Thus, the banks are expected to get the process and results of objective monitoring. Approaches and concepts used in answering these problems are the concept of competency of Spencer & Spencer (1993), which refer to professional competency. Such competencies include technical competency or proficiency competency in the areas of

**Table 2**  
**Validity and Competency Test Results of the Supporting Research Data**

No	Competencies	Item to total correlation	Description	Cronbach Alpha
1	Technical Competency	0.275	Not valid	0.939 (reliable)
2	Competency to share knowledge	0.567	Valid	
3	Competency to define work measurement	0.669	Valid	
4	Competency to Improve Work results	0.632	Valid	
5	Competency to arrange challenging work target	0.744	Valid	
6	Competency to innovate in work process	0.681	Valid	
7	Competency of persuasion based on facts	0.746	Valid	
8	Professional reputation	0.614	Valid	
9	Competency to analyze core problem/ problem source	0.589	Valid	
10	Competency to relate all related problems	0.619	Valid	
11	Competency to anticipate handicaps	0.791	Valid	
12	Competency to sort problem systematically	0.727	Valid	
13	Competency to make logical conclusion	0.544	Valid	
14	Competency to consider the consequence and impact of any choice	0.524	Valid	
15	An alert to respond situation	0.708	Valid	
16	Competency to express self confidence	0.792	Valid	
17	Competency to find challenges	0.756	Valid	
18	Independence to cope with problems	0.820	Valid	
19	Competency to understand others' attitude, interest, and needs	0.696	Valid	
20	Sensitivity and competency to clarify every existing information	0.652	Valid	
21	Competency to control information quality	0.608	Valid	
22	Competency to make notes on work process that has been done	0.550	Valid	
23	Competency to get data	0.343	Valid	
24	Competency to get information in various ways	0.388	Valid	
25	Competency to digest and discuss with the groups	0.675	Valid	
26	Competency to appreciate others	0.469	Valid	
27	Competency to allocate own resources	0.486	Valid	
28	Competency to do customers oriented job	0.535	Valid	

Source: processed data.

their work and their behavior.

### **Population, Sample, Sampling Technique**

The population consists of the bank leaders in the region of Surabaya city. The sample drawn consists of some of the leaders in several banks in Surabaya. Sampling technique is done by using convenient sampling method, which is one form of non-random sampling methods. By this method, the members are selected and easily obtained (Hussein Omar, 2005: 120). The advantages of this method are among others, the time of the research that can be achieved relatively

and quickly and at low cost (Hussein Omar, 2005:120). These samples were used for confirmation and verification of the data. The number of sample units as obtained consists of 41 respondents.

### **DATA ANALYSIS AND DISCUSSION**

Data analysis is done by means of descriptive analysis. To determine the order of importance of each of Spencer generic competencies, the researcher uses the weighted average. The most important types of competency would be to have the value of the highest weighted average.

**Table 3**  
**Categorization on Importance levels**

Range of Mean	Category
1 - 1.8	Not so important
>1.8 – 2.6	Not important
>2.6 – 3.4	Quite important
>3.4 – 4.2	Important
>4.2 – 5	Very important

**Table 4**  
**Spencer Competency**

Competency	Mean of Competency Importance	Importance Category	Mean of Importance Order (the smaller the more important)
Expert in task fields	4.51	Very important	2.5
Achievement Orientation	4.09	Important	6.07
Impact and Influence of supervisors	4.07	Very important	6.60
Conceptual thinking	4.36	Very important	4.05
Analytic thinking	4.48	Very important	3.77
Initiative	4.19	Important	5.33
Self confidence	3.90	Important	5.55
Comprehension	4.15	Important	4.95
Concern with supervisory process system	4.27	Very important	6.00
Getting information	4.00	Important	6.60
Cooperation	4,12	Important	5.68
Customer-Orient. Service	3,90	important	11.22

Source: processed primary data

The validity and reliability testing was done on the 41 data. Validity testing was conducted by content validity approach to ensure that the measure has the number of items that are representative for the research concept (Kuncoro, 2003). The test is done by correlating the scores of items with total score of the variables by means of Product Moment correlation (Saifuddin Anwar, 1997). On the other hand, the competency test was done by the method of inter-items consistency of competency. Measurements were made by looking at the coefficient Alpha or better known as Cronbach's Alpha. The reliable instrument of measurement is set at the value of coefficient  $\alpha > 0.6$  (Malhotra, 2004). Validity and reliability test results are presented in Table 1.

As in Table 1, it indicates that the lowest item to total correlation is 0396 that is analytical thinking and the highest 0782 achievement orientation. Cronbach's alpha values for 0863. In reference to the validity

and competency test, it can be explained that the research data has met the requirements to allow for subsequent analysis. Furthermore, in Table 2, the validity and competency are proved by the evidence supporting competency items, item to total correlation is which is as low as 0343 (Competency to get the data) and the highest is 0782 (the competency to express self-confidence).

In the next evidence, it is said that one item that is not valid that is technical knowledge competency (0275), further invalid items are not included in the analysis process. Competency items with Cronbach's alpha values is or 0939. It is found that validity and competency of test results can be explained that the research data has met the requirements to allow for subsequent analysis.

That is the data related to order of importance of generic competencies as thought by the respondents. It is known that, the most important (mean of the smallest se

**Table 5**  
**Order of Spencer Competency Importance for Requirements**  
**of Banking Supervisors Positions**

<b>Competency</b>	<b>Order</b>
Expert in task fields	1
Achievement Orientation	2
Impact and Influence of supervisors	3
Conceptual thinking	4
Analytic thinking	5
Initiative	6
Self confidence	7
Comprehension	8
Concern with supervisory process system	9
Getting information	10
Cooperation	11
Customer-Orientated Service	12

quence) to the less important (mean of the order of the largest) of proficiency in the field of assignment (2.5), analytic thinking (3.77), conceptual thinking (4:05), comprehension ( 4.95), initiative (5:33), confidence (5:55), cooperation (5.68), concern for the systematic process of supervisory (6), achievement orientation (6:07), the impact and influence of supervisors (6.6), getting information (6.6), customer orientated service (11:22), as provided in Table 5.

In connection with categories, it can also be seen in Table 6, When they are classified in categories of being important or not, they are indicated as the following, such as the competency to analyze the core issues, the competency to draw linkages or relationships between issues, the competency to distinguish problems systematically, the competency to make logical conclusions, the competency to consider consequences and impact of choice of action, the competency to control the quality of information, the competency to appreciate others, as presented in Table 7.

Since this study has already formulated the problems being initially raised, it can be described as the following. First of all, the design of generic competencies Spencer is used as a model specification for bank offices' Supervisors can be ordered based on the perception of importance by the respon-

dents. It is indicated orderly from their proficiency in the task field, analytical thinking, conceptual thinking, understanding of the initiative, self-confidence, cooperation, concern for the systematic process of supervision, achievement orientation, impact and influence of supervisory, getting information, customer oriented service orientation.

Secondly, they are technical competency and that of being the requirement for banking supervisor position in Surabaya. These competencies are such as the competency to analyze the core problem, the competency to draw linkages or relationships between problems, the competency to sort out problems systematically, competency to make logical conclusion, the competency to consider the consequences of the impact of choice of action, the competency to control the quality of information, and the competency to appreciate others.

### **CONCLUSION, IMPLICATION, SUGGESTIONS, AND LIMITATIONS**

All in all, it can be concluded that the design of generic Spencer competencies as a model specification for banking offices' Supervisors in Surabaya, are ordered according to the order level. All these are based on the perception of importance by the respondents. Their perception on such order is as the following. First is proficiency in the task field,

**Table 6**  
**Supporting Competencies**

No	Competencies	Mean	Description
1	Technical Competency	3.98	Important
2	Competency to share knowledge	3.93	Important
3	Competency to define work measurement	4.02	Important
4	Competency to Improve Work results	3.85	Important
5	Competency to arrange challenging work target	3.97	Important
6	Competency to innovate in work process	4.09	Important
7	Competency of persuasion based on facts	4.14	Important
8	Professional reputation	4.59	Very important
9	Competency to analyze core problem	4.46	Very important
10	Competency to relate all related problems	4.15	Important
11	Competency to anticipate handicaps	4.29	Very important
12	Competency to sort problem systematically	4.36	Very important
13	Competency to make logical conclusion	4.27	Very important
14	Comp. to consid. conseq. and impact of any choice	4.12	Important
15	An alert to respond situation	3.65	Important
16	Competency to express self confidence	3.56	Important
17	Competency to find challenges	3.95	Important
18	Independence to cope with problems	3.80	Important
19	Comp. to underst. others' attit., interest, & needs	4.19	Important
20	Sensitivity and comp. to clarify existing inform.	4.26	Very important
21	Competency to control information quality	4.04	Important
22	Comp. to note on work process that's been done	4.12	Important
23	Competency to get data	3.95	Important
24	Competency to get information in various ways	4.12	Important
25	Competency to digest and discuss with the groups	4.24	Very important
26	Competency to appreciate others	4.02	Important
27	Competency to allocate own resources	3.93	Important

Source: processed data

**Table 7**  
**Supporting Competency Category of Being Very Important**

No	Competency	Mean	Description
1	Competency to analyze core problem	4.59	Very important
2	Competency to relate to the interconnected problems	4.46	Very important
3	Competency to sort problems systematically	4.29	Very important
4	Competency to make logical conclusion	4.36	Very important
5	Competency to consider consequence and impact of choice of action	4.27	Very important
6	Competency to control quality of information	4.26	Very important
7	Competency to appreciate others	4.24	Very important

Source: processed data

analytical thinking, conceptual thinking, comprehension, initiative, self confidence, cooperation, concern for the systematic process of supervision, achievement orientation, impact and influence of supervisory, getting information, customer oriented service.

Besides the above generalization, technical competency and behavioral competency as perceived by the respondents being the requirements for banking offices' supervisors' position in Surabaya can be listed such as competency to analyze core problem systematically, to relate to the interconnect-

ted problems, competency to sort the problem systematically, competency to make logical conclusion, competency to consider consequence and impact of choice of action, competency to control quality of information, and competency to appreciate others.

When it is related to the implication toward the policy, it is advisable that the banking regulator especially BI (central bank) pay much attention to the competencies required for bank supervisors in Surabaya.

This study suggests that Bank Indonesia should arrange the policy for fit and proper test that is required for bank supervisors. This is intended for improving the effectiveness of supervision and strengthening supervision coordination. In addition, they should also better arrange the organization and human resources supervision (in this case, the supervisors) so that they can use the Spencer competency as reference, in which these competencies are supposed to be accompanied by technical competency and behavioral competency.

In using such competencies, detailed description for each competency should also be emphasized. By doing so, they can also make the same perception for implementing the mentioned competencies. The levels of competency can be ordered from five to seven types of levels. Each level must be provided with indicators or description of the behavior.

On one hand, the standard or minimum measurement of the level of achievement for bank supervisors in Surabaya must be defined. On the other hand, any organization or company is also required to adopt the Spencer competency levels for their staff and their positions in implementing competency-based human resources development. All these must be adapted to the vision and mission, as well as values that have been entrenched in the organizations.

There are some limitations admitted by the researcher in this study. One is that further research is suggested for doing with wider scope, therefore this is one of the limitations.

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